

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 COME-00 L-02 /015 W

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R 211520Z MAY 75

FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC 6171

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E.O. 11652: N/A

TAGS: EINV, MT

SUBJECT: WESTINGHOUSE CASE

REF: STATE 108823

1. GOM ATTORNEY GENERAL EDGAR MIZZI HAS CONVEYED TO AMBASSADOR HIS IMPRESSIONS OF NEW YORK MEETING WITH WESTINGHOUSE REPS. THEY AGREE IN GENERAL WITH THOSE REPORTED REFTEL. DURING MAY 15 MEETING WITH AMBASSADOR, MIZZI IMPLIED THAT HIS OFFER HAD BEEN IN 700-750 THOUSAND DOLLAR RANGE. WHEN PRESSED, HOWEVER, MIZZI ADMITTED THAT THESE SPECIFIC FIGURES HAD NOT BEEN MENTIONED IN PRECISE TERMS TO MORRISON AND CRAWFORD. HE REITERATED, HOWEVER, THAT HE PERSONALLY BELIEVED MINTOFF WOULD GO THIS HIGH IF WESTINGHOUSE WERE AGREEABLE.
2. MIZZI TOLD AMBASSADOR THAT DISPUTE HAD ALREADY GONE ON TOO LONG AND THAT SETTLEMENT MIGHT ALREADY HAVE BEEN REACHED "HAD WESTINGHOUSE NOT TAKEN GOM TO COURT." MIZZI REPEATEDLY STATED HIS CONVICTION THAT AGREEMENT WAS STILL POSSIBLE, BUT ONLY IF WESTINGHOUSE DID NOT RPT NOT START ARBITRATION PROCEEDINGS. MIZZI BELIEVED THAT IF ARBITRATION ROUTE RESORTED TO, MINTOFF MIGHT SUMMARILY HALT ANY FURTHER ATTEMPT AT COMPROMISE SETTLEMENT.
3. RE CRAWFORD'S PROPOSED TRIP TO MALTA, MIZZI HAD BEEN INFORMED BY FRANK ASPHAR THAT CRAWFORD WAS CONTEMPLATING SUCH A TRIP IN MAY BUT HAD RECEIVED NO FURTHER WORD ON

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DATES. (FYI: AMBASSADOR ALSO RECEIVED LETTER FROM ASPHAR

GIVING BRIEF ROUNDOFF ON NEGOTIATIONS IN NEW YORK AND STATING HE WAS URGING CRAWFORD TO VISIT MALTA IN MAY. END FYI) MIZZI FELT ON BALANCE THAT TRIP BY CRAWFORD, WHETHER IN MAY OR JULY, WOULD PROBABLY BE GOOD IDEA, BUT ONLY IF WESTINGHOUSE WERE PREPARED TO MODIFY ITS PRESENT INSISTENCE ON ONE MILLION DOLLAR FIGURE.

4. NEITHER MIZZI NOR EMBASSY, HOWEVER, BELIEVES IT NECESSARY FOR CRAWFORD TO COME HERE ONLY FOR DISCUSSIONS RE COURT COSTS. (MIZZI EXPRESSED THIS VIEW TO AMBASSADOR MAY 21, WHICH IS AT VARIANCE WITH OPINION ATTRIBUTED TO HIM IN PARA 3 REFTEL). MIZZI ALSO INFORMED AMBASSADOR THAT BOTH COURT COSTS AND ATTORNEY'S FEES IN SUCH CASES ARE FIXED BY LAW IN MALTA AND THAT ATTORNEYS CANNOT SIMPLY CHARGE WHAT TRAFFIC WILL BEAR. ACCORDING TO MIZZI, COURT COSTS THEMSELVES ARE GENERALLY VERY LOW BUT DEPEND ULTIMATELY ON AMOUNT OF DAMAGES CLAIMED. LAWYERS ON EACH SIDE USUALLY RECEIVE ONE AND ONE-THIRD PERCENT OF DECLARED DAMAGES CLAIMED WITH THE COURT REGISTRY RECEIVING ONE PERCENT. MIZZI THUS ROUGHLY ESTIMATES TOTAL COSTS TO COMPANY AT APPROXIMATELY THREE AND TWO-THIRDS PERCENT OF AMOUNT CLAIMED, WHICH IN THIS CASE WOULD BE MUCH CLOSER TO THE LOW OF \$30 THOUSAND THAN TO THE ONE-QUARTER MILLION ALSO CITED AS POSSIBILITY BY LOCAL ATTORNEY (PARA 3 REFTEL). WE BELIEVE DETAILS OF THIS SUBJECT COULD BEST BE OBTAINED DIRECTLY BY WESTINGHOUSE THROUGH CORRESPONDENCE WITH ITS ATTORNEY HERE. EMBASSY HAS NOT PURSUED QUESTION WITH HIM DIRECTLY, AND WE DO NOT PROFESS TO BE EXPERTS ON SUBJECT.

5. IF WESTINGHOUSE BELIEVES IT WOULD BE HELPFUL, AMBASSADOR WOULD BE HAPPY TO MEET WITH COMPANY REPS DURING HIS JUNE 9-13 CONSULTATIONS IN WASHINGTON. IN MEANTIME, WE DOUBT NECESSITY OR WISDOM OF CRAWFORD'S VISIT UNLESS THERE HAS BEEN SOME CHANGE IN COMPANY'S POSITION. INDEED, UNLESS MIZZI CAN REPORT SUCH A CHANGE TO MINTOFF, IT IS UNLIKELY THAT LATTER WOULD DEIGN TO RECEIVE CRAWFORD ON GROUND SIT WOULD BE WASTER OF TIME. WE RECOGNIZE THAT THIS MAY NOT BE IMPRESSION THAT MIZZI LEFT WITH CRAWFORD, BUT IT REPRESENTS OUR BEST JUDGMENT OF GOM CURRENT POSITION. SMITH

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